



SEN. GEORGE RUNNER (RET.)

MEMBER
STATE BOARD OF EQUALIZATION
CALIFORNIA'S TAX BOARD

April 30, 2013

The Honorable Kevin De Leon
California State Senate
State Capitol
Sacramento, CA 95814

RE: OPPOSE SB 808 (De Leon)

Dear Senator De Leon,

I must respectfully oppose your SB 808, which would eliminate the sales and use tax exemption for international jet fuel if any of the airlines or their vendors' employees was enrolled in Medi-Cal during the prior year.

Administratively this bill raises a number of questions and concerns:

1. The measure requires the airlines to report on information which may be protected by privacy laws.
2. As the Board of Equalization analysis points out, it imposes a significant burden on the Board to review insurance policy documentation, an area outside our expertise. As currently written, the costs of administering may well far outweigh any potential revenue.
3. The provisions are not limited to domestic carriers and yet there is a multitude of problems with trying to apply this to international carriers, not the least of which is the potential for retaliatory taxing policies on our domestic carriers operating in international jurisdictions.

This seems to be punitive legislation, rather than good tax policy. For this, and the other reasons stated, I must respectfully oppose SB 808.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Runner".

GEORGE RUNNER
Second District